

INFORMATION SYSTEMS (EX1) TASK FORCE

Information Systems (EX1) Task Force July 27, 2021, Minutes
2022 Proposed Charges (Attachment One)

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Draft Pending Adoption

Date: 8/5/21

Information Systems (EX1) Task Force
Virtual Meeting (*in lieu of meeting at the 2021 Summer National Meeting*)
July 27, 2021

The Information Systems (EX1) Task Force met July 27, 2021. The following Task Force members participated: Ricardo Lara, Chair, represented by David Noronha (CA); Kathleen A. Birrane, Vice Chair, represented by Paula Keen (MD); Lori K. Wing-Heier represented by Anna Latham and Alida Bus (AK); Michael Conway represented by Damion Hughes and Rolf Kaumann (CO); Trinidad Navarro represented by Tim Li (DE); Colin M. Hayashida represented by Kathleen Nakasone (HI); Grace Arnold represented by Matthew Vatter (MN); Chlora Lindley-Myers, Cynthia Amann, and Jo LeDuc (MO); Russell Toal (NM); Barbara D. Richardson (NV); Judith L. French represented by Tynesia Dorsey (OH); Glen Mulready represented by Diane Carter (OK); Doug Slape represented by Nancy Clark (TX); and Scott A. White represented by Vicki Ayers and Trish Todd (VA). Also participating were: Bud Leiner and John Kittelsrud (AZ); Rebecca Smid (FL); Tate Flott (KS); Chandra Thames (MS); Charlie Mudrick (OR); and Scott Kast (PA).

1. Adopted its March 24 Minutes

Ms. Keen made a motion, seconded by Mr. Toal, to adopt the Task Force's March 24, minutes (*see NAIC Proceedings – Spring 2021, Information Systems (EX1) Task Force*). The motion passed unanimously.

2. Adopted its 2022 Proposed Charges

Ms. Ayers made a motion, seconded by Ms. Nakasone, to adopt the Task Force's 2022 proposed charges, which remain unchanged from its 2021 charges (Attachment One). The motion passed unanimously.

3. Received an IT Operational Summary Report

Scott Morris (NAIC) highlighted several sections included in the Information Technology (IT) Operational Report received by the Task Force members. The report provides updates on technology initiatives at the NAIC, upcoming improvements, impacts to state technology, new offerings from the NAIC, and general updates on the activities of the NAIC technology team.

a. Product Highlights

The State Based Systems (SBS) team is focusing on new state implementations. Five states are currently licensed for SBS implementation, with four currently active: 1) Vermont (August 2021); 2) Connecticut (November 2021); 3) Kansas (January 2022); and 4) Massachusetts (February 2022). Hawaii is a future implementation (third-quarter 2022).

Other key product highlights include:

- The first phase of the System for Electronic Rate and Form Filing (SERFF) Modernization project is underway. This phase is an assessment of needs and tools that can be integrated to SERFF to provide the functionality needed by state insurance regulators, such as a document management solution and a rules engine. Many states have provided input on current and future needs. Key outputs of this phase include a future state architectural diagram and an implementation plan. This phase is expected to finish by year-end.
- The Online Premium Tax for Insurance (OPT_{ins}) development team focused on improvements to Entity Management. The team implemented changes to prevent all user types from creating duplicate entities on OPT_{ins} accounts and deactivated 17,594 duplicate entity entries through database cleanup.

b. Innovation and Technology

Filing Solutions and Operations helped the Interstate Insurance Product Regulation Commission (Compact) reviewers manage and have visibility of their pre-submission work. The teams decided JIRA best met the needs of the Compact reviewers, allowing workflow, communication, transparency, and reporting to occur within the same tool. After minimal training, the Compact reviewers were able to use this new tool to help organize and view their work.

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NAIC teams continue the important work to migrate system applications and databases from the NAIC's data center to Amazon Web Services (AWS) Cloud and Oracle Infrastructure Cloud (OCI). Cloud migrations are complete for two of the five environments and are operating fully in the cloud. The remaining migrations are targeted later this year.

The IT Operations team has been rolling out the Microsoft 365 services, which enable NAIC staff and external state insurance regulators to share files and collaborate in more ways than ever before. The team is working on SharePoint team sites for internal staff and has set up several external sharing sites, including Property/Casualty (P/C) Model Database, Consumer Rep Applications, SERFF Modernization, Market Regulation Collaboration, and Center for Insurance Policy and Research (CIPR) Collaboration. Additionally, 142 sites have been created and as teams complete their migration to SharePoint, more external collaboration sites will be developed.

The NAIC recently completed the 2021 Service Organization Control (SOC) 1 and SOC 2 audits for on-premises with good results. A few exceptions were found, and the team is working to correct them. The cloud SOC 2 audit is currently in progress for a shortened review period. The auditors are currently reviewing evidence and will determine if any follow-up is needed.

4. Received a Portfolio Update and Project Status Reports

Sherry Stevens (NAIC) reported on the project portfolio. As of July, the NAIC's technical project portfolio includes 23 active technical projects. One project completed since the last report.

Having no further business, the Information Systems (EX1) Task Force adjourned into regulator-to-regulator session, pursuant to paragraph 4 (internal or administrative matters of the NAIC or any NAIC member) of the NAIC Policy Statement on Open Meetings.

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Draft: 7/27/2021

Adopted by the Executive (EX) Committee and Plenary, xxx. x, 2021

Adopted by the Internal Administration (EX1) Subcommittee, xxx. x, 2021

Adopted by the Information Systems (EX1) Task Force, July 27, 2021

2022 Proposed Charges

INFORMATION SYSTEMS (EX1) TASK FORCE

The mission of the Information Systems (EX1) Task Force is to: 1) provide regulator-based technology expertise to the Internal Administration (EX1) Subcommittee; and 2) support committee activities and objectives by monitoring projects that provide technical services or systems for state-based insurance regulation, as prioritized by the Executive (EX) Committee.

Ongoing Support of NAIC Programs, Products or Services

1. The **Information Systems (EX1) Task Force** will:
 - A. Serve as the Internal Administration (EX1) Subcommittee's project-independent technology monitor and consultant. This involves monitoring the development, deployment and operation of NAIC information technology (IT) systems and services for state insurance regulators and, based on this effort, providing reports and recommendations to the Subcommittee, as appropriate. To achieve this, the Task Force will receive regular portfolio and technical operational reports.
 - B. Provide consultation to NAIC technology staff, as well as the interpretation of intent and specific technology direction, where needed. For example, from time to time, NAIC technology staff may request approval of a specific technology approach, such as a proposal to drop support for a particular version of software. The Task Force will provide direction in such matters, either directly or through a working group. Task Force members will also communicate current and future state technology changes planned for their state to alert NAIC technology staff of potential impacts and requirements for NAIC systems and services used by state insurance regulators.
 - C. Review, with technical recommendations for the Subcommittee: 1) Fiscal Impact Statements Appendix A for all *State Ahead* projects, as well as others involving a technology component exceeding \$100,000 or 1,150 hours of technology staff development and which is not limited to the support of the internal operations; and 2) project requests that involve technology being submitted to the Subcommittee or directly to the Executive (EX) Committee.

NAIC Support Staff: Sherry Stevens/Cheryl McGee

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